(c) whether it is also a fact that there is proposal of heavy reduction in the interest rates under this agreement; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) to (d) According to the information furnished by State Bank of India (SBI), the bank has recently entered into a tie-up with Maruti Udyog Ltd. (MUL) for financing of cars at prevailing rates of interest. There is no reduction in the rate of interest proposed under the tie-up.

Sanctioning of Loans to SGCs by Banks

2667. SHRI P.K. MAHESHWARI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware that Reserve Bank of India (RBI) is putting direct and indirect pressure on Commercial Banks to exercise extreme caution while sanctioning loans to State Government run Corporations;

(b) if so, the reasons therefor; and

(c) what are the details of outstanding loans at present against each State Government run Corporations, bank-wise?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) Reserve Bank of India does not put either direct or indirect pressure on commercial banks to exercise extreme caution while sanctioning loans to State Government run corporations. The loans to these corporations are granted against guarantees issued by respective State Government in accordance with banks' loan policies approved by their Board of Directors, their risk management policies and are generally on the basis of their commercial judgement.

(b) Does not arise.

(c) The information is being collected and will be laid on the Table of the House to the extent available.